

Amendment No. 1 to Amendment 1 to SB3901

McNally
Signature of Sponsor

AMEND Senate Bill No. 3901*

House Bill No. 3787

By deleting the following language in its entirety from the bill as amended and by redesignating all remaining language accordingly:

SECTION 1. Tennessee Code Annotated, Section 67-6-202, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a)

(1) For the exercise of the privilege of engaging in the business of selling tangible personal property at retail in this state, a tax is levied on the sales price of each item or article of tangible personal property when sold at retail in this state; the tax is to be computed on gross sales for the purpose of remitting the amount of tax due the state and is to include each and every retail sale. The tax shall be levied at the rate of seven percent (7%).

(2) In addition to the tax levied by subdivision (1) of this subsection, there is levied a tax at the rate of two and three-quarters percent (2.75%) on the amount in excess of one thousand six hundred dollars (\$1,600), but less than or equal to three thousand two hundred dollars (\$3,200), on the sale or use of any single article of personal property as defined in § 67-6-702(d).

(3) In addition to the taxes levied by subdivisions (1) and (2) of this subsection, there is levied a tax at the rate of two and three-quarters percent (2.75%) on the amount in excess of three thousand two hundred dollars (\$3,200) on the sale or use of any single article of personal property as defined in § 67-6-702(d); provided, however, that the additional tax levied by this subdivision (a)(3) shall not apply to the sale or use of any of the following:

(A) Motor vehicles that are required to be titled under the provisions of title 55, chapter 3;

(B) Watercraft;

(C) Manufactured homes and mobile homes as defined in § 68-126-202; and

(D) Modular homes.

(4) The taxes levied at the rate of two and three-quarters percent (2.75%) pursuant to subdivisions (2) and (3) of this subsection shall be in addition to all other taxes and shall be a state tax for state purposes only. No county or municipality or taxing district shall have the power to levy any tax on the amount in excess of one thousand six hundred dollars (\$1,600) on the sale or use of any single article of personal property.

SECTION 2. Tennessee Code Annotated, Section 67-6-103(c)(1), is amended by deleting the language “but less than or equal to three thousand two hundred dollars (\$3,200)” and is further amended by deleting the language “pursuant to Acts 2002, ch. 856, § 4”.

SECTION 3. Tennessee Code Annotated, Section 67-6-103(f), is amended by deleting the first sentence in its entirety and by substituting instead the following:

Notwithstanding the provisions of subsections (a)-(e), the state tax on fees or charges for subscription to, access to, or use of television programming or television services provided by a video programming service provider offered for public consumption on charges or fees up to but not exceeding twenty-seven dollars and fifty cents (\$27.50) per month shall be for state purposes only and shall be earmarked and allocated specifically and exclusively to the general fund.

SECTION 4. Tennessee Code Annotated, Section 67-6-226, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) Notwithstanding other provisions of this chapter to the contrary, state tax at the rate of eight and one-quarter percent (8.25%) on each sale at retail is imposed with respect to fees or charges for subscription to, access to, or use of television

programming or television services provided by a video programming service provider offered for public consumption on charges or fees up to but not exceeding twenty-seven dollars and fifty cents (\$27.50) per month. Such charges or fees in excess of twenty-seven dollars and fifty cents (\$27.50) per month shall be taxed at the rate of the tax levied on the sale of tangible personal property at retail by the provisions of § 67-6-202.

SECTION 5. Designated section 67-4-2401 of Section 130 of Chapter 602 of the Public Acts of 2007, as amended by Section 35 of Chapter 530 of the Public Acts of 2009, as codified as section 67-4-2401, is amended by deleting subsection (b) and by redesignating the subsequent subsection accordingly.

SECTION 6. Tennessee Code Annotated, Section 67-6-329(a), is amended by deleting subdivision (15) in its entirety.

SECTION 7. Tennessee Code Annotated, Section 67-6-221(a), is amended by deleting the language "seven and one-half percent (7.5%)" and by substituting instead the language "nine and one-half percent (9.5%)".

AND FURTHER AMEND by adding the following language to SECTION 8 as amended as new amendatory subdivision (B)(i)(d):

(d) Food or beverages sold to a hotel, motel, inn or other dealer that provides lodging accommodations if such food or beverages are subsequently transferred to the customer in conjunction with the dealer's sale of lodging accommodations to the customer, regardless of whether the dealer makes a separately stated charge for such property;

AND FURTHER AMEND by deleting the last section of the bill as amended in its entirety and by substituting instead the following:

SECTION _____. Sections 1 and 49 of this act shall take effect on July 1, 2010, the public welfare requiring it. Sections 5 through 18 of this act shall take effect on July 1, 2010 and shall apply to all tax years ending on or after July 1, 2010, the public welfare requiring it.

Section 33 of this bill shall take effect on July 1, 2010 and shall apply to business plans filed on or after July 1, 2010, the public welfare requiring it. The remaining sections of this act shall take effect upon becoming a law, the public welfare requiring it.